

PETITION

OF

THE HEIRS AND LEGAL REPRESENTATIVES OF JOHN H.
PIATT, DECEASED, LATE ARMY CONTRACTOR,

PRAYING

Payment of a balance due them by the government.

FEBRUARY 23, 1848.

Referred to the Committee on Military Affairs, and ordered to be printed.

*To the honorable the Senate and House of Representatives of the United
States, in Congress assembled:*

The petition of the undersigned heirs and legal representatives of John
H. Piatt, late of Hamilton county, and State of Ohio, deceased,

RESPECTFULLY REPRESENTS :

That, on the 26th day of January, 1814, the said John H. Piatt entered into a contract with the Secretary of War, by which he stipulated to supply and issue all the rations that should be required for the use of the United States, at all and every place, or places, where troops might be stationed, marched, or recruited, within the limits of the States of Ohio and Kentucky, and within the Michigan territory, and the northern vicinity, from the 1st day of June, 1814, to the 31st of May, 1815, both days inclusive. The component parts of the ration were fixed by the contract, and also the price at which it was to be delivered at the various places named therein. The tenth clause of the contract is to this effect: "That all such advances of money as may be made to said John H. Piatt for and on account of the supplies to be furnished pursuant to this contract, shall be duly accounted for by him, by way of set off against the amount of such supplies, and the surplus, if any, paid to the United States immediately after the expiration of the term of this contract, together with an interest of six per cent. per annum from the time of such expiration, until the same shall be actually repaid." And it further provides, that if any balance be found due the said Piatt, it shall immediately be paid by the United States.

This clause in the contract, (as your petitioners are advised,) upon a fair construction, contemplated advances in money to the probable amount in value of the supplies, in order to put the contractor in funds for their purchase and transportation; and such construction becomes the more reasonable when the nature of the service is considered, the funds neces-

sary to be employed, and the usage of the department in like cases not only to pay promptly, but to make large and adequate advances.

Your petitioners further state, that after the making of said contract, and while the said John H. Piatt was exerting himself to fulfil the same—that is to say, about the 10th of September, 1814, shortly after the capture of Washington city and the burning of the Capitol and public offices—the several banks in the United States south and west of Boston ceased to pay specie, and their paper, which thus became greatly less in value than gold and silver, was the sole currency of the country; that it was issued freely, and was not in effect subject to redemption; and thus becoming abundant in the country, it greatly enhanced the price of provisions and the cost of transportation. That, after this date, the government made no advances in gold or silver, or funds of equal value, to the said John H. Piatt, or any payments to him for his supplies therein; but the said Piatt, within the year 1814, drew drafts on the treasury to a large amount, which he procured to be discounted at divers banks, and received therefor this depreciated currency, in order to raise funds to apply to his said contract. That these drafts, to the amount of \$140,000, were protested for non-payment, owing to the inability of the treasury, though the said Piatt was at that time in advance more than \$300,000.

Under these circumstances the said Piatt came to Washington, in the month of December, 1814; he pressed for an adjustment of his accounts, which was promised him: and advances not having been made him according to the terms of the contract and the usages of the department, nor payments in money for his actual balances, he consulted counsel learned in the law, who advised him that he was absolved from his contract. He therefore determined to abandon it, and made known to Mr. Monroe, then Secretary of War, his purpose to do so. Mr. Monroe did not at all deny the right of Mr. Piatt to abandon the contract, for the causes assigned, but addressed himself to his patriotism—represented the consequences to the country as most disastrous, if these supplies should fail, and assured Mr. Piatt “that he should have justice done him,” or that he should not be injured, or words to that effect, (as the language is remembered by the Hon. John McLean,) or “to go on and he should not be the loser by it,” as stated by Mr. Tench Ringgold, in a paper communicated by him to Mr. Monroe, in opposition to Mr. Piatt’s claim.

Your petitioners further represent, that Mr. Piatt, after a full conversation with Mr. Monroe, determined to go on and furnish the necessary supplies, (which he well knew he could not furnish at the contract prices without utter ruin to his fortunes,) under the assurance and belief that the United States would indemnify him for all loss. He so said to the Hon. John McLean immediately after parting with Mr. Monroe; he so stated to Mr. D. Parker shortly thereafter; he so wrote to his agent, Hugh Glenn, at Cincinnati, in a letter dated January 10th, 1815; and he so said to James Morrison, the Quartermaster General at Washington, soon after the conversation with Mr. Monroe, and again on his way home, while descending the Ohio river. Your petitioners are advised by their counsel that it is fully proved that the contract with Mr. Piatt was on the 1st of January, 1815, forfeited by the United States, in strict law, by non-compliance on her part with its most essential conditions—*prompt payment in cash*, or its equivalent, for rations furnished; and by the protest of his drafts, which were drawn for sums then actually due him; and

also that Mr. Piatt had a moral and equitable right to abandon the contract, on the ground that such advances as were usual under like circumstances, and such as the necessities of the service required, were not made him; and because such payments as were in fact made him were made in treasury warrants, then only convertible into a depreciated currency.

That Mr. Piatt had a right to abandon his contract seems to have been conceded by the Secretary of War, in the conversation referred to. That he had such right, is an opinion unequivocally expressed by the Hon. John McLean, who was present at the conversation, and familiar with all the facts; and the same opinion is unhesitatingly expressed by a committee of the House of Representatives, (who examined this claim in 1824,) in a report made by one of the ablest jurists of that as well as the present time.

Your petitioners further represent that the said John H. Piatt, in the full confidence and belief that he would be indemnified for all losses, went on without any cash advances from the government, amid the derangement of the currency, partly with such depreciated bank notes as he could procure with treasury warrants, which there were no funds to meet, and partly by means of his own credit and that of his friends, and purchased the necessary supplies, for which he was compelled to pay extravagantly high prices, procured at still higher rates the requisite heavy amount of transportation, and thus furnished supplies for the whole northwestern army, wherever they were marched, or wherever stationed. This was done at an immense sacrifice beyond the contract price of the rations; and Mr. Piatt, when he rendered his final account to the department, claimed, under the assurances of the Secretary of War, to be reimbursed the actual cost of his supplies furnished, and a reasonable allowance for his own services and that of his agents.

That the Third Auditor, in adjusting Mr. Piatt's account, took the contract of January 26, 1814, as the basis of settlement. He rejected everything, under that account, which was not certified and proved strictly in point of form, without regard to the difficulty of procuring such proof; and on this statement of the accounts brought Mr. Piatt in debt to the government \$48,230 77, for which, being in attendance here to settle his claims, he was arrested, and held in custody of the marshal. Mr. Piatt was at this time wholly without resources—every dollar of his active means was exhausted, and all his real estate pledged to obtain the means of supplying the army. In addition to which, he had involved his friends in the ruin brought on himself by his confidence in the justice of his country.

Under these circumstances he petitioned Congress for relief, and it was extended to him, but with a most sparing hand. By the act of the 8th of May, 1820, his right to allowances beyond his contract was admitted. The accounting officers of the treasury were directed to settle his accounts "on *just and equitable* principles, giving all due weight to the settlements and allowances already made, and to the *assurances* and decisions of the War Department," but with a proviso that the allowances under these assurances should not exceed the amount then claimed by the United States, (which was \$48,230 77,) for which suits had been brought. Under the provisions of this act, on the 7th of July, 1820, Mr. Piatt's accounts were re-examined by the proper accounting officers of the treasury, and he was found entitled under his contract, strictly con-

strued, without regard to the assurances given him by the War Department, to an additional allowance of \$76,475 85, most of which had been suspended in the first settlement of the Third Auditor by reason of some formal defects in his evidence. This sum was reduced by \$12,855 37, the amount of an error in the former statement, and the balance of \$63,620 48 was, long after Mr. Piatt's death, under the act of May 24, 1824, paid over to some creditors as his assignees. In 1822 his account was further restated under the act of May 8, 1820, "*giving all due weight to the assurances and decisions of the department*;" and, on this restatement, there was found due Mr. Piatt, *under those assurances*, the further sum of \$179,739 67, of which there was applied to the claim against him, for which he had been held in custody, \$48,230 77; leaving a balance of \$131,508 90, which the accounting officers of the treasury found to be due him. This sum has never yet been paid, and is now due to your petitioners, as heirs and personal representatives of the said John H. Piatt.

Your petitioners would respectfully refer to a report made by the Hon. John Sergeant, chairman of a select committee of the House of Representatives, to which a branch of this claim was referred at the session of 1823-'4, which, with the accompanying documents and proofs, will be found in the reports of the committees of that session, vol. 1, doc. 21.

And on this they would beg leave to remark, that all the contemporary evidence produced goes fully and without exception to sustain the right of the said John H. Piatt to abandon his contract on the 1st of January, 1815, his purpose to do so as an act of justice to himself and to his friends, who were his creditors or his sureties, and that he was moved from that purpose by the promise of Mr. Monroe that if he would "go on he should not be the loser." And, with a single exception, it is the clear opinion of all who knew the transaction, and made known their knowledge to Mr. Monroe in 1816, 1817, and 1820, that Mr. Piatt was entitled to indemnity from loss on the rations furnished after January 1, 1815: this exception is Mr. Tench Ringgold.

He remembers substantially the assurance of Mr. Monroe, but gives it a construction clearly different from what is proved to have been the understanding of Mr. Piatt at the time; and alike different from the construction which a court of law or equity must have put upon it, the circumstances under which it took place being known.

He stated to Mr. Monroe that in January, 1815, after Mr. Piatt had taken his leave, satisfied with the payments which had been made him and the advances he had received of the government, to the surprise of Mr. Ringgold he again called at the War Office, and declared he could not get along without a further advance of \$20,000. That Mr. Ringgold so informed the Secretary of War, and by his direction obtained that amount in the Bank of the Metropolis, and it was paid without delay to Mr. Piatt; and he adds, "a few days after this payment, I accidentally discovered that Mr. Piatt had made use of this money in purchasing Metropolis Bank stock for his own use, instead of *supplies for the northwestern army*."

It was, fortunately, easy to test the correctness of this statement. The account stated by the Third Auditor shows that Mr. Piatt got no such sum as \$20,000 in the winter of 1814-'15; this part of the statement is therefore incorrect. The stock-book of the Bank of the Metropolis shows that Mr. Piatt was the owner of a small amount of stock in that bank, for which

he subscribed about January, 1814; and that there fell due thereon in January, 1815, \$272, which it is presumed he paid; and this paltry sum was all. He made no purchase of stock in January, 1815; and what he had when his troubles thickened upon him, he sold to raise funds to pay the debts which he had contracted in the service of his country.

Mr. Ringgold further states, that he is informed that Mr. Piatt was about this time a large subscriber to the loan of the United States, and that "it is *very certain* he made a *large fortune* by his contract." Your petitioners have caused due search to be made in the proper department, and cannot find that Mr. Piatt was "*about this time*," or at any other time, a subscriber, large or small, to the United States loan; and they believe that he never was; and so far was Mr. Piatt from making a "*large fortune* by his contract," it is in proof that his contract reduced him to insolvency. He was at the time Mr. Ringgold wrote this paper in custody of the marshal for an imputed debt to the government, and at last died in prison, crushed in spirit and insolvent in property. And the claim which Mr. Ringgold attacks by his most extraordinary statements, is preferred by Mr. Piatt for reimbursement merely of actual expenditures over and above the contract price, of which he had undoubted proof.

Mr. Ringgold seems to have been high in the confidence of Mr. Monroe, and this mass of errors volunteered by him as a statement probably did much to defeat this claim. There were, doubtless, at the close of the war, many fictitious claims presented; time could not be devoted by the President or the heads of departments to the critical examination of each; and general imputations, such as these thrown out by Mr. Ringgold, however unfounded, were enough to cast a cloud over his claim, and preclude it from a *fair*, much less a *favorable* hearing.

Your petitioners would also refer to a report of the Committee on Claims of the Senate, at the session of 1833-'34, in vol. 6, Senate documents (488,) which fully sustains the claims of the representatives of Mr. Piatt to the balance found due him in his account, as stated by the Second Comptroller of the Treasury in 1822. They would, however, observe that the then Second Comptroller, Mr. J. B. Thornton, in his letter to the honorable John Tipton, chairman of the Committee on Claims, (p. 14 of the document,) inadvertently deducts from the balance due to the representatives of Mr. Piatt the sum of \$2,630 73, which had been deducted in 1822, before striking the balance of \$131,508 90.

Your petitioners further state, that the same claim was again presented to the Senate of the United States at the session of 1839-'40, (vol. 3, Senate documents, 87,) at which session the Committee on Claims reported against it. And before observing upon that report, it is proper to say that the sum of \$131,508 90 is all that was claimed in 1823; it is all that was claimed in 1834, and all that was again claimed in 1840, when the last report was made. This claim was not, as is assumed in that report, for any speculation which Mr. Piatt might have made, had he taken advantage of the forfeiture of the contract, and sold, at the best price he could get, the provisions on hand, but mere compensation for the actual cost to him of the supplies furnished after the 1st of January, 1815, under the assurances from the department that he should be indemnified from loss.

As to the balance of Mr. Piatt's account, which was in the last restatement suspended principally for want of sufficient evidence, they do not ask its allowance, though a part of it is, in the opinion of your petitioners,

lost under circumstances of peculiar hardship. Owing to the extent of his engagements on the frontier, the embarrassment of the times, and the confusion arising from the disbanding of the army and the return of soldiers and volunteers, Mr. Piatt failed in these instances to get the requisite certificates and proof to sustain his accounts. When he came to Washington, in 1816, and procured a statement of his account by the Third Auditor, this portion, with much more of his account, was rejected. He was arrested and imprisoned by the government, and at last died in prison; where he was charged in custody by creditors to whom he had contracted debts to enable him to carry out his contract with the department; so that he had no means whatever, not even personal liberty, to follow out his claim into its details, and produce proof of each of its numerous rejected items. Since his death his representatives have not known where to look for the proof, and this claim, therefore, is not substantiated. Your petitioners are not disposed to ask anything but what they are advised is their clear right, sustained by evidence. They therefore do not present this \$34,744 88 as a claim, but expressly waive and abandon it, as it now can never be substantiated. The claim which they do present is for \$131,508 90, the unpaid balance of \$177,108 94, found due to Mr. Piatt by the Second Comptroller of the Treasury, being the actual cost over and above the contract price of rations furnished by him after the 1st of January, 1815, under the assurances of the Secretary of War.

In the report of January 14, 1840, this claim is rejected, and the following grounds are taken by the chairman of the committee, in his report upon it. He sets out with a statement of former allowances, which is made up with little attention to accuracy. He gives the amount allowed and paid to Mr. Piatt, under the assurances of the Secretary of War, at "more than \$61,000"—it was in truth \$48,230 77. He states the amount of claims allowed by the Second Comptroller of the Treasury, strictly under the contract, at \$63,620 48, instead of \$76,475 85, its true amount; and he says this was *thought* at the time to be all "that Mr. Piatt was entitled to, on the most liberal principles of justice and equity." By *whom* it was *thought*, we are not informed; but certain it is, that it was not so *thought* by the committee of the House in 1823; nor by the Second Comptroller, on whose report they acted; nor by the very respectable contemporary witnesses, whose letters they exhibited with their report.

The honorable chairman denies that the United States had failed to comply with the contract, or that Mr. Piatt was free on the 1st of January, 1815, to refuse to furnish further supplies. The learned chairman does not seem to have read the contract with much care, or to have been well advised of the usages of the department in respect to advances and payments on contracts like this; or of the necessities of the service, or of the actual amount of the advances made by Mr. Piatt, on that day.

The tenth clause of the contract referred to above by your petitioners, shows that it was the understanding that the government should make advance "*in money*" to the probable amount of the necessary disbursements; all the contemporary evidence shows that such was no more than payment in a reasonable time, considering the nature of the service. Such was the opinion of the committee in 1824, and such in effect the admission of Mr. Monroe in his conversation with Mr. Piatt, in January, 1815, as proved by the Hon. John McLean.

The honorable chairman further urges as a reason why Mr. Piatt had no right to abandon his contracts in January, 1815, that he was bound to render his account at least once in three months, and had not performed this duty; and adds, "*no such account appears to have been rendered.*" This is a mistake, and a strange one. The contract commenced on the 1st day of June, 1814, and the files of the Third Auditor's office show that Mr. Piatt's first account was rendered August; his second, November 4th, 1814.

The deposition of Lemuel Newell, on file with the papers in the claim, shows that late in December, 1814, no payments had been made on this last account, and that the service was suffering from that cause; and one assurance given by Mr. Monroe, according to the statement of Tench Ringgold, was, "that he should have an immediate investigation of his accounts."

That the government had not advanced the reasonable and necessary funds, and that it had not paid promptly in money or its equivalent, is proved by a mass of evidence not to be impugned, though the precise amount that it was in arrear cannot be ascertained. The statements of the accounts of Mr. Piatt accompanying the report of the committee of the House in 1824, show the whole amount of his claim which was allowed under the contract, without regard to *assurances*, to have been

	\$636,163 52
From which deduct the contract price of rations delivered after the 15th of January, 1815, which is shown to be	148,791 87

It leaves the amount of Mr. Piatt's claim for advances before that date, about	487,371 65
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On this Mr. Piatt had received—

August 2, 1814, treasury warrant to O. M. Spencer	\$50,000 00
June 22, 1814, bill to J. H. Davis, on War Department, paid	25,000 00
July 28, 1814, bill to O. M. Spencer on same, paid	20,000 00
October 21, bill to O. M. Spencer on same, paid	40,000 00
And there had been turned over to him within the year, provisions to the amount of	38,188 28
Making the aggregate of payments to 1st January, 1815	173,188 28

Leaving due him in arrear at that date	314,183 37
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This balance your petitioners suppose to be too large, as Mr. Piatt, according to the testimony of the Hon. John McLean, stated his advances in December, 1814, at about \$200,000. The difference probably arises out of charges for transportation, &c., on the account which he rendered February 27, 1815, running from November 4, 1814, to that date, which cannot now be separated and applied to the proper year.

Mr. Piatt's bills, drawn on the Secretary of War on account of these advances, to the amount of \$140,000, which it was admitted he had a right to draw, and which seem to have been accepted by the Secretary of War, (see deposition of H. Glenn, on file December, 1814,) but not paid

for want of ability on the part of the government, were at this time under protest for non-payment. They are drawn and dated as follows:

June 6, 1814, in favor of O. M. Spencer	-	-	\$5,000
July 30, 1814, in favor of Samuel W. Davis	-	-	25,000
September 2, 1814, in favor of O. M. Spencer	-	-	35,000
September 7, in favor of Samuel W. Davis	-	-	35,000
October 21, in favor of Samuel W. Davis	-	-	40,000

Amounting to	-	-	-	<u>\$140,000</u>
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The treasury seems to have given warrants for part of them; but those warrants not being cashed, the bills remained dishonored.

Your petitioners respectfully submit to your honorable body whether, under all these circumstances, the right of Mr. Piatt to abandon his contract can be now successfully questioned. It never was questioned till 1840, but tacitly admitted by the Secretary of War himself. It was a clear right in the opinion of the Hon. John McLean, who was familiar with all the facts and attendant circumstances; and the same was expressly found and strongly presented by the Select Committee of the House in 1824. And your petitioners are advised by counsel, that his right so to abandon was clear and undoubted on the evidence contained in the above named report, and the documents and letters referred to therein. There is no question that Mr. Piatt claimed he was released from his contract, and had a legal right to abandon it as broken on the part of the government; and that he had determined to do so because the change of times, the depreciation of the currency, and the consequent high price of provisions and transportation, rendered it a ruinous contract if persevered in. When, with this opinion and these views, he went to Mr. Monroe and declared his purpose, and that purpose was changed by the assurances of Mr. Monroe that if he would "*go on, he should not be the loser by it*," your petitioners cannot at all conceive that there is room for the doubt expressed by the committee in 1840 as to the extent and purpose of these assurances. They claim that Mr. Piatt had a right to receive them, as it is in proof he did receive them, as assurances for full indemnity from loss, if he would go on and render a service which he was not bound to render. The honorable committee further say, that Mr. Monroe did not, in 1820, remember these assurances; but it is unimportant whether this be or be not the case, for they are proved beyond the possibility of a doubt. In 1816, the Hon. John McLean, who was present and heard, did remember them; so did Mr. Tench Ringgold, in 1817, remember them very well, though he saw fit to put a wrong construction upon them; and contemporary circumstances prove them, for what could have induced Mr. Piatt to change his purpose, lose the advantage of the position in which he was then actually placed, and encounter what was certain ruin, if no such assurances had been given?

It is urged also against this claim, that Mr. Piatt, in settling his accounts in 1816, laid before Mr. Crawford a memorial from himself to the Secretary of War, dated in May, 1815, in which he claims allowances, in a sum equal to what they cost him; for all rations issued by him to the Indians and the distressed inhabitants of Michigan, as not coming within his contract; and that in this he did not at all rely on the assurances

given him by the Secretary of War. The honorable chairman concludes that the *inference* is almost *irresistible*, if such assurances had existed they would also have been relied on. Your petitioners beg leave to suggest that an inspection of those claims (page 6 of accompanying transcript) will at once destroy such *inference*. Those rations were furnished in 1814, *before* the *assurances* were given, and could of course be in no-wise affected by them.

Mr. Piatt suffered very heavily in 1814 by the derangements of the currency, the failure of the government to pay, and the fact that he was compelled to borrow depreciated bank paper on the credit of his bills drawn on the department, with which paper he had to purchase provisions and procure transportation at much higher prices than for gold and silver, or its equivalent; but to this loss he was disposed to submit, and on the 1st of January, 1815, he claimed indemnity for the *future only*, on the ground that in law and morals he was compelled to incur such loss no longer.

The honorable chairman, in the fourth page of his report, says that the representatives of Mr. Piatt claim to be paid what the supplies would have cost the government had he held on to all that was in his hands, and refused to furnish them; and adds, that this would be first to violate his contract, and then to take advantage of his own wrong. In answer to this, your petitioners beg leave to say that no such claim is or ever has been, within the knowledge of your petitioners, presented by Mr. Piatt or his representatives. From first to last they have claimed compensation only—indemnity only—the fulfilment of the promise of the Secretary, on the faith of which Mr. Piatt acted, and that alone; and they do not feel that the ends of justice could have been promoted by placing the claim upon any other than its true ground preparatory to its rejection.

The learned chairman adds, that the utmost Mr. Piatt could have a right to claim under the *assurance*, would be what the supplies actually cost him over and above the contract price; "and we have seen," he adds, "no evidence but what he has been allowed all this difference." This difference named by the honorable chairman is all that your petitioners claim; and they rest their claim respectfully, but confidently, upon the *evidence*, which will, as they are assured by their counsel, show conclusively that a balance of \$131,508 90 was due to the said John H. Piatt in 1815, and is still due to his representatives. Your petitioners ask the payment of this sum as an act of justice; and they, as in duty bound, will ever pray.

Your petitioners state that the said John H. Piatt died intestate. That administration on his estate was taken out by Nicholas Longworth and Benjamin H. Piatt, who fully administered and settled with the court, having by compromise and the transfer of property obtained discharges of all his debts in full. That said John H. Piatt left as heirs and distributors of his estate his brothers and sisters, your petitioners, Benjamin M. Piatt, Abraham Piatt, Hannah C. Grandin, wife of Philip Grandin, and Frances Ann Piatt, now deceased, who married one Isaac Dunn, and who left as her heirs and distributors her children, your petitioners, John Dunn, Jacob Dunn, Hannah Tonsey, married to George Tonsey, Sarah Layton, wife of George Layton, and two grandchildren, Frances E. Smith and Adam C. Smith, who file this petition by their attorney in fact,

N. C. READ.

